

## ***APRIL 2003 TAX FACTS***

### **SUMMARY OF GENERAL FUND REVENUES**

	<u>April 2003</u>	Fiscal Year <u>Total</u>
<b>Individual Income Tax</b>		
Net Collections	\$178,155,084	\$1,410,739,671
Percent Change	(15.3%)	(5.5%)
<b>Corporate Income Tax</b>		
Net Collections	\$84,014,040	\$292,984,053
Percent Change	17.8%	8.1%
<b>Transaction Privilege, Severance &amp; Use Taxes</b>		
Net Collections	\$263,762,436	\$2,516,697,423
Change	1.1%	1.9%
<b>Total Big Three Tax Types</b>		
Net Collections	\$525,931,560	\$4,220,421,147
Percent Change	(0.3%)	(0.3%)

# TAX FACTS

April 2003

## INDIVIDUAL INCOME TAX

### Individual Income Tax Receipts

	April 2003	April 2002	% Change
Gross Collections	\$272,037,025	\$303,233,433	(10.3)
Withholding	187,450,892	185,131,798	1.3
Refunds	(245,452,913)	(243,041,738)	1.0
Urban Revenue Sharing	(35,879,921)	(35,100,591)	2.2
<b>Net Collections</b>	<b>\$178,155,084</b>	<b>210,222,902</b>	(15.3)
	<b>Fiscal Year Total (02/03)</b>	<b>Fiscal Year Total (01/02)</b>	<b>% Change</b>
Gross Collections	\$546,762,539	\$602,104,290	(9.2)
Withholding	1,921,316,229	1,939,274,082	(0.9)
Refunds	(698,539,887)	(696,491,253)	0.3
Urban Revenue Sharing	(358,799,211)	(351,563,810)	2.1
<b>Net Collections</b>	<b>\$1,410,739,671</b>	<b>\$1,493,323,309</b>	(5.5)

Included in the refund amounts above are refunds relating to the alternative fuel vehicle income tax credit. After offsetting \$10,309 in tax liability, \$85,283 was refunded. This amount does not include withholding and estimated payments returned to taxpayers because their liability was covered by the alternative fuel vehicle credit.

### Individual Income Tax Document Count

In calendar year 2002, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	42,819	1,484,601	81,372	105,925	6	43,756	289,858	14,887	201,823	2,702	34	2,267,783
%	1.9	65.5	3.6	4.7	0.0	1.9	12.8	0.7	8.9	0.1	0.0	

In calendar year 2003 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	14,892	1,086,809	35,909	62,070	2	19,245	214,560	11,373	123,108	2,357	18	1,570,343
%	0.9	69.2	2.3	4.0	0.0	1.2	13.7	0.7	7.8	0.2	0.0	

The 1,570,343 returns, representing current and prior tax years, filed through April 2003 represents an increase of 4.0% over the April returns filed during the same period of time in 2002. For tax year 2002 filed in 2003, 1,520,173 returns have been filed a 3.6% increase over filings in April 2002 for tax year 2001.

### Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,070,987 returns in calendar year 2003 for tax year 2002 from filers who also have returns on record from calendar year 2002 with the same marital status. On average, these filers experienced a 2.0% decrease in FAGI and a 5.2% decrease in tax liability. More specifically, 41.6% of these filers experienced a decrease in tax liability; on average a decrease of 35.8% with a corresponding average decrease in FAGI of 20.7%. Filers with an increase in tax liability totaled 480,862 or 44.9%, with an average FAGI increase of 20.2% and an average tax liability increase of 36.6%.

## **Average Individual Income Tax Refund**

	Average	Number
2003 CYTD	\$532.91	1,154,011
2002 CYTD	\$549.19	1,072,619
% Change	(3.0%)	7.6%

## **"New" Filers in Calendar Year 2003**

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2003. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 145,703 "new" returns have been filed thus far in 2003, representing approximately 175,393 persons, not including dependents. The average Federal Adjusted Gross Income for these 145,703 returns is \$17,980, with an average tax liability of \$248. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 19.6% had a married filing joint filing status, 8.1% claimed a 65 And Over Exemption and 39.5% claimed dependents.

## **Individual Income Tax Estimated Payments**

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2001 was \$336.5 million, for an average of \$1,480. An additional \$67.7 million in estimated payments came from 2000 tax returns that applied their refunds as a 2001 estimated payment, for an average of \$1,817. Estimated payments received through April 2003 for tax year 2002 were as follows:

04/03	140ES payment	(\$4,007,687)	Cumulative	\$290,657,133
04/02	140ES payment	\$471,229	Cumulative	\$335,173,047
	Percent change	N/A		(13.3%)
04/03	Average payment	(\$25,048)	Cumulative	\$1,512
04/02	Average payment	\$792	Cumulative	\$1,477
	Percent change	N/A		2.4%
04/03	Applied refund	\$197,545	Cumulative	\$73,842,149
04/02	Applied refund	\$113,653	Cumulative	\$66,698,300
	Percent change	73.8%		10.7%
Total 04/03		(\$3,810,142)	Cumulative	\$364,499,282
Total 04/02		\$584,882	Cumulative	\$401,871,347
	Percent change	N/A		(9.3%)

## **Withholding**

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2001 through March 2002, \$561,286,152 was received for the first quarter of 2001. The latest complete quarter (15 months of information has been compiled) is the first quarter of 2002, which shows a decrease of 3.0% in withholding payments over the first quarter of 2001. Growth in quarters for which information is still being gathered is as follows:

2 <sup>nd</sup> Quarter 2002	(2.7%)	4 <sup>th</sup> Quarter 2002	(2.3%)
3 <sup>rd</sup> Quarter 2002	(4.6%)	1 <sup>st</sup> Quarter 2003	2.0%
		2 <sup>nd</sup> Quarter 2003	2.0%

The comparisons made above were against the same number of months of collections in the previous year. Effective January 2002, current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

### **Property Tax Credits**

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2003	11,615	\$3,987,024	\$343.27
Calendar Year 2002	11,920	\$3,969,468	\$333.01
% Change	(2.6%)	0.4%	3.1%

### **Clean Elections**

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2002:

	April 2003	Calendar Year Total
Check Off	\$1,366,999	\$2,599,223
Voluntary Donation	\$18,078	\$30,185
Number of Returns	182,938	357,895

### **Contributions on the Individual Income Tax Return**

Through April 2003, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	6,753	\$120,067	\$17.78
Child Abuse	7,724	\$136,412	\$17.66
Special Olympics	3,487	\$55,391	\$15.89
Neighbors Helping	2,057	\$25,712	\$12.50
AID to Education	411	\$24,332	\$59.20
Domestic Violence Shelter	5,448	\$94,469	\$17.34
Democratic Party	526	\$9,908	\$18.84
Republican Party	423	\$9,950	\$23.52
Libertarian Party	67	\$1,095	\$16.34

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## **CORPORATE INCOME TAX**

### **Corporate Income Tax Receipts**

	April 2003	April 2002	% Change
Gross Collections	\$94,116,614	\$87,270,068	7.8
Refunds	(\$10,102,574)	(\$15,924,530)	36.6
Net Collections	<b>\$84,014,040</b>	<b>\$71,345,538</b>	17.8

	Fiscal Year Total (02/03)	Fiscal Year Total (01/02)	% Change
Gross Collections	\$401,782,467	\$423,637,278	(5.2)
Refunds	(\$108,798,414)	(\$152,579,308)	28.7
Net Collections	<b>\$292,984,053</b>	<b>\$271,057,970</b>	8.1

### **Corporate Estimated Payments**

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

April 2003	\$43,097,336	Calendar Year Total	\$97,337,980
April 2002	<u>\$47,590,078</u>	Calendar Year Total	<u>\$92,696,381</u>
% Change	(9.4%)	% Change	5.0%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for April 2003 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,00 0 and more	Total	% chg
April 2003	385	46	57	10	4	0	502	11.1
April 2002	329	54	52	12	5	0	452	
CY 2003	811	86	96	22	11	0	1,026	(1.5%)
CY 2002	826	97	89	21	9	0	1,042	

### **Corporate Refunds**

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 01/02 by corporate fiscal year. For example, in FY 01/02, 6.2% of the refund dollars paid were for corporate fiscal years ending in 1997 or before. The percentages are for refunds paid through the fiscal year.

<b>Corporate Fiscal Year-End:</b>	<b>97 &amp; Prior</b>	<b>98</b>	<b>99</b>	<b>00</b>	<b>01</b>	<b>02</b>
FY 01/02	6.2%	3.0%	3.0%	70.4%	17.3%	0.2%
<b>Corporate Fiscal Year-End:</b>	<b>98 &amp; Prior</b>	<b>99</b>	<b>00</b>	<b>01</b>	<b>02</b>	<b>03</b>
FY 02/03	6.9%	5.7%	6.8%	69.1%	11.3%	0.1%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

April 2003	\$4,798,050	Calendar Year Total	\$47,551,545
April 2002	<u>\$7,006,540</u>	Calendar Year Total	<u>\$41,500,920</u>
% Change	(31.5%)	% Change	14.6%

### **Corporate Income Tax Document Count**

The Arizona Department of Revenue received 99,009 corporate returns showing a fiscal year-end of 2001. The type of return received is indicated below:

	<b>120 X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>	<b>120 A (short form)</b>
#	330	36,585	50,973	324	10,797
%	0.3	37.0	51.5	0.3	10.9

Through April 2003, 53,615 documents have been received for a fiscal year-end of 2002, distributed as follows:

	<b>120 X (amended)</b>	<b>120 (regular)</b>	<b>120S (S corp)</b>	<b>99T (exempt org.)</b>	<b>120 A (short form)</b>
#	54	16,872	29,557	118	7,014
%	0.1	31.5	55.1	0.2	13.1

The figures shown above for the 2002 returns are most meaningful when compared to 2001 returns received during the same period of time in the previous year. Through April 2002, the Arizona Department of Revenue received 49,289 documents with a fiscal year-end of 2001. Compared to 2002 documents, this represents a 7.9% increase in the number of corporate returns received at this point of time in the calendar year.

### **Urban Revenue Sharing Returned to Cities/Towns**

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2002/03 is 14.8% of net proceeds from Fiscal Year 2001/02 income tax. In addition, 15% of the amount of monies transferred from the Budget Stabilization Fund to the tax refund account of the state general fund is also be used for Urban Revenue Sharing. Amounts returned for April 2003 are shown on Table 2, at the end of this report.

## **TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES**

### **Transaction Privilege, Severance and Use Tax Receipts**

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Education Tax" below represents a new category beginning with June 2001 collections. This category is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	<b>April 2003</b>	<b>April 2002</b>	<b>% change</b>
Distribution Base	\$112,849,445	\$112,042,617	0.7
Non shared	207,538,514	208,032,440	(0.2)
Use Tax	17,302,149	14,157,181	22.2
Education Tax	38,577,739	38,182,260	1.0
Other Revenues	46,429,097	46,777,328	(0.7)
<b>Total Collections</b>	<b>\$422,696,944</b>	<b>\$419,191,826</b>	<b>0.8</b>

  

	<b>Fiscal Year Total (02/03)</b>	<b>Fiscal Year Total (01/02)</b>	<b>% change</b>
Distribution Base	\$1,050,445,734	\$1,035,895,709	1.4
Non shared	1,997,098,472	1,981,935,520	0.8
Use Tax	157,297,752	131,508,651	19.6
Education Tax	371,938,803	365,230,850	1.8
Other Revenues	437,495,795	428,766,895	2.0
<b>Total Collections</b>	<b>4,014,276,556</b>	<b>\$3,943,337,625</b>	<b>1.8</b>

### **Distribution of Transaction Privilege, Severance and Use Tax Receipts**

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The Education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	<b>April 2003</b>	<b>April 2002</b>	<b>% change</b>
Retained by State	\$263,762,436	\$260,833,120	1.1
Returned to Counties	45,715,310	45,388,464	0.7
Returned to Cities	28,212,361	28,010,654	0.7
Education Tax	38,577,739	38,182,260	1.0
Other	46,429,097	46,777,328	(0.7)
<b>Total Collections</b>	<b>\$422,696,944</b>	<b>\$419,191,826</b>	<b>0.8</b>

	<b>Fiscal Year Total (02/03)</b>	<b>Fiscal Year Total (01/02)</b>	<b>% change</b>
Retained by State	\$2,516,697,423	\$2,470,725,162	1.9
Returned to Counties	425,534,042	419,641,005	1.4
Returned to Cities	262,610,493	258,973,713	1.4
Education Tax	371,938,803	365,230,850	1.8
Other	437,495,795	428,766,895	2.0
<b>Total Collections</b>	<b>\$4,014,276,556</b>	<b>\$3,943,337,625</b>	<b>1.8</b>

### **Transaction Privilege and Severance Tax Collections By Class**

	<b>Tax Rate</b>	<b>April 2003</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting/Towing	5.6	\$305,635	27.5	\$2,360,405	7.9
Non-Metal Mining/Oil & Gas	3.125%	644,863	14.3	7,158,150	34.8
Utilities	5.6%	20,328,879	(1.0)	254,693,045	0.1
Communications	5.6%	12,497,089	(11.8)	122,097,367	(0.4)
Railroads/Aircraft	5.6%	84,518	(38.1)	(2,051,465)	N/A
Private Car/Pipelines	5.6%	63,870	104.3	456,085	91.5
Publishing	5.6%	841,392	49.3	5,814,570	83.8
Printing	5.6%	1,484,911	7.3	18,268,588	26.2
Restaurants/Bars	5.6%	32,873,159	3.4	274,529,311	3.9
Amusements	5.6%	4,300,932	(1.4)	32,494,787	6.5
Commercial Lease	0%	1,490	N/A	(92,791)	N/A
Rental of Personal Property	5.6%	15,034,784	(5.7)	139,642,997	(6.4)
Contracting	3.75% - 5.6%	47,027,160	(3.5)	477,714,517	(2.9)
Feed Wholesale	Repealed	(26)	N/A	(347)	95.6
Retail	5.6%	172,133,874	1.6	1,631,981,123	2.1
Mining Severance	2.5%	148,485	(21.1)	937,835	N/A
Timber Severance	\$2.13/\$1.51 per 1000 board ft	0	N/A	3,436	(75.1)
Hotel/Motel	5.5%	12,094,444	5.1	76,394,979	3.1
Membership Camping	5.6%	17,891	57.4	107,017	(8.7)
Use/Use Inventory	5.6%	17,302,149	22.2	157,297,752	19.6
Rental Occupancy Tax	3.0%	15,049	(17.6)	22,500	(84.2)
Jet Fuel Tax	\$.0305/\$.0105 gal	504,999	3.6	4,844,192	11.0
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	560,880	6.8	5,293,391	(1.6)
Poison Control Fund	----	207,449	6.8	1,957,830	(1.6)
911 Wireline/Excise	\$0.37 monthly per activated service	332,504	(75.2)	11,696,956	(6.4)
911 Wireless Service	\$0.37 monthly per activated service	659,725	11.8	7,848,908	41.4
<b>Total</b>		<b>\$339,466,105</b>	<b>0.8</b>	<b>\$3,231,471,136</b>	<b>1.8</b>

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

### **Transaction Privilege and Severance Tax Taxable Sales By Class<sup>1</sup>**

	<b>April 2003</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting/Towing	\$6,112,690	27.5	\$47,208,093	7.9
Non-Metal Mining/Oil & Gas	20,635,628	14.3	229,060,810	34.8
Utilities	406,577,577	(1.0)	5,093,860,896	0.1
Communications	249,941,787	(11.8)	2,441,947,346	(0.4)
Railroads/Aircraft	1,690,365	(38.1)	(41,029,297)	N/A
Private Car/Pipelines	1,277,398	104.3	9,121,698	91.5
Publishing	16,827,830	49.3	116,291,390	83.8
Printing	29,698,221	7.3	365,371,763	26.2
Restaurants/Bars	657,463,180	3.4	5,490,586,219	3.9
Amusements	86,018,633	(1.4)	649,895,733	6.5
Commercial Lease	1,022,449	N/A	(6,492,429)	N/A
Rental of Personal Property	300,666,735	(5.7)	2,792,859,931	(6.4)
Contracting	940,695,684	(3.5)	9,549,673,474	(2.9)
Feed Wholesale	(5,475)	N/A	(73,964)	95.6
Retail	3,442,677,478	1.6	32,639,622,465	2.1
Mining Severance	5,939,391	(21.1)	37,513,418	N/A
Timber Severance	0	N/A	473	(99.9)
Hotel/Motel	219,898,981	5.1	1,388,999,611	3.1
Membership Camping	357,818	57.4	1,962,233	(16.3)
Use/Use Inventory	344,957,583	22.3	2,854,321,843	9.1
Rental Occupancy Tax	501,641	(17.6)	749,988	(84.2)
<b>Total</b>	<b>\$6,732,832,054</b>	<b>1.1</b>	<b>\$63,661,451,694</b>	<b>1.3</b>

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In April 2003, 18,336,660 gallons of jet fuel were taxed, a 2.3% increase from the 17,925,653 reported for April 2002. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

### **Accounting Credit**

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in April 2003 was \$2,021,007 a 1.7% increase from the \$1,987,366 claimed in April 2002. Accounting credits claimed-to-date in FY 02/03 equals \$15,073,033 a 1.8% increase from the \$14,800,289 claimed during the same period in FY 01/02.

<sup>1</sup>These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.



### **Taxable Sales by SIC Code Range**

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's Market Place might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales, which do not have a primary retail SIC code.

<b><u>SIC Code Range</u></b>	<b><u>Description</u></b>	<b><u>April 2003</u></b>	<b><u>April 2002</u></b>	<b><u>% Chg</u></b>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$222,086,297	\$205,906,688	7.9
5311-5399	general merchandise stores	270,359,355	282,757,609	(4.4)
5411-5499	food stores (no food sales)	265,848,015	262,779,055	1.2
5511-5521	motor vehicle dealers	625,464,240	621,890,830	0.6
5531-5599	misc. automotive, motorcycle & boat stores	191,929,072	188,009,113	2.1
5611-5699	apparel & accessory stores	238,226,329	254,120,677	(6.3)
5712-5733	furniture, home furnishings & equipment stores	188,835,757	170,194,283	11.0
5912-5949	misc. retail stores	229,011,789	230,389,945	(0.6)
<b>TOTAL</b>		<b>\$3,442,677,478</b>	<b>\$3,387,418,664</b>	<b>1.6</b>

<b><u>SIC Code Range</u></b>	<b><u>Description</u></b>	<b><u>Fiscal Year 2003</u></b>	<b><u>Fiscal Year 2002</u></b>	<b><u>% Chg</u></b>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$1,950,611,890	\$1,884,376,055	3.5
5311-5399	general merchandise stores	2,694,403,723	2,864,034,269	(5.9)
5411-5499	food stores (no food sales)	2,629,674,651	2,493,931,703	5.4
5511-5521	motor vehicle dealers	6,015,300,687	6,222,152,289	(3.3)
5531-5599	misc. automotive, motorcycle & boat stores	1,667,430,657	1,584,918,622	5.2
5611-5699	apparel & accessory stores	2,095,422,508	2,025,951,339	3.4
5712-5733	furniture, home furnishings & equipment stores	1,702,349,277	1,635,370,958	4.1
5912-5949	misc. retail stores	2,227,438,801	2,224,103,835	0.1
<b>TOTAL</b>		<b>\$32,639,622,465</b>	<b>\$31,974,654,226</b>	<b>2.1</b>

### **Transaction Privilege and Severance Tax Returned to Counties**

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for April 2003 is shown in the County Share column.

	<b>Dist. Base Collections</b>	<b>County Share</b>	<b>% of Total</b>	<b>FYTD County Share</b>	<b>% Chg</b>
Apache	\$186,360	\$333,646	0.7	\$3,224,685	1.5
Cochise	1,676,819	830,912	1.8	7,746,073	2.7
Coconino	2,581,536	1,146,763	2.5	11,544,389	1.9
Gila	650,550	346,565	0.8	3,373,211	(1.1)
Graham	326,929	207,106	0.5	1,964,827	0.0
Greenlee	306,703	165,998	0.4	1,461,922	(3.8)
La Paz	296,417	142,168	0.3	1,266,852	(0.6)
Maricopa	77,105,068	29,576,976	64.7	273,220,977	0.9
Mohave	2,841,624	1,217,410	2.7	11,462,939	4.4
Navajo	1,278,745	666,507	1.5	6,938,147	3.9
Pima	16,805,095	6,886,549	15.1	64,553,883	1.2
Pinal	2,314,556	1,220,545	2.7	11,023,796	7.1
Santa Cruz	698,776	300,472	0.7	2,775,156	2.0
Yavapai	3,110,775	1,468,413	3.2	14,045,349	2.6
Yuma	2,669,492	1,205,281	2.6	10,931,836	3.4
<b>Total</b>	<b>\$112,849,445</b>	<b>\$45,715,310</b>		<b>\$425,534,042</b>	<b>1.4</b>

### **Transaction Privilege and Severance Tax Returned to Cities/Towns**

The portion of transaction privilege and severance tax returned to each incorporated city or town for April 2003 is shown on Table 3, attached to this report.

### **County Tax Collections**

The following county-imposed tax collections were received by the Department of Revenue during April 2003 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	<b>Road Tax</b>	<b>Excise Tax</b>	<b>Jail Tax</b>	<b>Rental Car Surcharge</b>	<b>Stadium Tax</b>	<b>RV Surcharge</b>	<b>Hospital Tax/Health SVCS Dist</b>	<b>Capitol Projects</b>	<b>Tourism Authority</b>
Apache		\$60,850							
Cochise		\$460,346							
Coconino		\$737,978	\$442,194					\$170,400	
Gila	\$201,590	\$194,306							
Graham		\$93,373							
Greenlee		\$76,576							
La Paz		\$84,715	\$84,714				\$18,791		
Maricopa	\$23,863,196		\$8,703,461	\$580,883	\$10,130				\$2,594,636
Mohave		\$407,651							
Navajo		\$366,723							
Pima				\$148,435		\$25,551			
Pinal	\$764,494	\$746,083							
Santa Cruz		\$188,391							
Yavapai		\$914,492	\$365,162						
Yuma		\$749,324	\$749,183					\$744,704	

## OTHER TAXES

### Luxury Taxes

The following revenues were received from luxury taxes in April 2003. The table compares the receipts to April 2002 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	<u>April 2003</u>	<u>April 2002</u>	<u>% Change</u>
Spirituos	\$1,961,046	\$2,594,973	(24.4)
Vinous	1,051,579	1,205,783	(12.8)
Malt	1,771,510	2,141,454	(17.3)
Cigarette	19,397,591	13,112,721	47.9
Other Tobacco	587,514	292,325	101.0
Tobacco Licenses	225	275	(18.2)
<b>Total</b>	<b>\$24,769,465</b>	<b>\$19,347,531</b>	<b>28.0</b>

  

	<u>Fiscal Year Total (02/03)</u>	<u>Fiscal Year Total (01/02)</u>	<u>% Change</u>
Spirituos	\$18,314,324	\$17,876,722	2.5
Vinous	8,382,946	7,605,219	10.2
Malt	18,090,330	18,107,768	(0.1)
Cigarette*	159,436,357	128,158,506	24.4
Other Tobacco	4,350,221	2,931,791	48.4
Tobacco Licenses	3,400	2,775	22.5
<b>Total</b>	<b>\$208,577,578</b>	<b>\$174,682,781</b>	<b>19.4</b>

\*Through April 2003, \$414,800 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

### **General Fund revenues from luxury taxes:**

	<u>April 2003</u>	<u>FY (02/03)</u>
Spirituos	\$1,372,732	\$12,820,027
Vinous	262,288	2,090,288
Malt	442,877	4,522,581
Cigarette	2,714,711	34,023,017
Other Tobacco	91,468	674,688
Tobacco Licenses	225	3,400
<b>Total</b>	<b>\$4,884,302</b>	<b>\$54,134,001</b>

### **Other dedicated revenues from luxury taxes:**

	<u>April 2003</u>	<u>FY (02/03)</u>
Correction Fund revenues	\$2,233,349	\$21,816,172
Tobacco Tax & Health Care Fund <sup>2</sup>	6,341,492	86,303,858
Tobacco Products Tax Fund <sup>3</sup>	10,406,627	37,857,455
Wine Promotional Fund revenues	2,425	21,790
Drug Treatment & Education Fund revenues	644,993	6,043,270
Corrections Revolving Fund revenues	256,278	2,401,034

<sup>2</sup> Formerly the Health Care Fund

<sup>3</sup> This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

**Estate Tax**

	April 2003	\$3,328,657	Fiscal year To Date	\$81,224,605
	April 2002	<u>\$2,801,397</u>	Fiscal year To Date	<u>\$72,609,890</u>
% Change		13.9%	% Change	11.9%

**Private Car**

	April 2003	N/A	Fiscal year To Date	N/A
	April 2002	<u>\$0</u>	Fiscal year To Date	<u>\$1,509,625</u>
% Change		N/A	% Change	N/A

**Bingo**

	April 2003	\$87,290	Fiscal year To Date	\$548,578
	April 2002	<u>\$81,768</u>	Fiscal year To Date	<u>\$552,944</u>
% Change		6.8%	% Change	(0.8%)

**Unclaimed Property**

	April 2003	\$720,844	Fiscal year To Date	\$26,314,508
	April 2002	<u>\$723,415</u>	Fiscal year To Date	<u>\$32,924,835</u>
% Change		(0.4%)	% Change	(20.1%)

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

**TABLE 1**  
**“New” Returns Filed in 2003 for Tax Year 2002**  
**Through April 2003**

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	1,329	0.9%	-\$10,703	\$0	13.7%	80.6%	4.1%	1.6%	16.9%	8.2%
<b>\$0-\$5,000</b>	<b>31,478</b>	21.6%	<b>\$2,821</b>	<b>\$1</b>	<b>4.6%</b>	<b>79.7%</b>	<b>15.1%</b>	<b>0.7%</b>	<b>4.3%</b>	<b>21.3%</b>
\$5,000-\$10,000	34,223	23.5%	\$7,386	\$21	8.0%	67.7%	23.3%	1.0%	6.2%	32.7%
<b>\$10,000-\$15,000</b>	<b>22,285</b>	15.3%	<b>\$12,339</b>	<b>\$69</b>	<b>16.5%</b>	<b>46.1%</b>	<b>36.2%</b>	<b>1.2%</b>	<b>9.8%</b>	<b>49.3%</b>
\$15,000-\$20,000	16,226	11.1%	\$17,361	\$131	23.3%	36.5%	38.5%	1.7%	10.2%	54.2%
<b>\$20,000-\$25,000</b>	<b>10,554</b>	7.2%	<b>\$22,352</b>	<b>\$234</b>	<b>28.7%</b>	<b>33.6%</b>	<b>35.4%</b>	<b>2.3%</b>	<b>8.5%</b>	<b>55.6%</b>
\$25,000-\$30,000	6,735	4.6%	\$27,378	\$363	32.3%	37.4%	28.0%	2.2%	9.0%	49.6%
<b>\$30,000-\$40,000</b>	<b>8,346</b>	5.7%	<b>\$34,503</b>	<b>\$533</b>	<b>35.5%</b>	<b>37.1%</b>	<b>24.4%</b>	<b>3.0%</b>	<b>9.7%</b>	<b>46.6%</b>
\$40,000-\$50,000	4,862	3.3%	\$44,595	\$760	45.3%	33.9%	18.1%	2.7%	12.1%	45.7%
<b>\$50,000-\$75,000</b>	<b>5,931</b>	4.1%	<b>\$60,421</b>	<b>\$1,140</b>	<b>60.5%</b>	<b>26.0%</b>	<b>12.0%</b>	<b>1.5%</b>	<b>14.4%</b>	<b>45.7%</b>
\$75,000-\$100,000	2,055	1.4%	\$85,361	\$1,811	72.8%	19.0%	6.9%	1.4%	14.7%	44.2%
<b>\$100,000-\$200,000</b>	<b>1,425</b>	1.0%	<b>\$128,865</b>	<b>\$3,241</b>	<b>76.1%</b>	<b>16.4%</b>	<b>5.9%</b>	<b>1.6%</b>	<b>16.6%</b>	<b>44.2%</b>
\$200,000-\$500,000	219	0.2%	281,559	9,613	74.1%	16.8%	6.4%	2.7%	15.5%	41.4%
<b>\$500,000-\$1,000,000</b>	<b>28</b>	<b>0.0%</b>	<b>643,565</b>	<b>27,317</b>	<b>60.7%</b>	<b>32.1%</b>	<b>3.6%</b>	<b>3.6%</b>	<b>21.4%</b>	<b>35.7%</b>
\$1,000,000 and over	*	*	*	*	*	*	*	*	*	*
<b>Total</b>	<b>145,703</b>		<b>\$17,980</b>	<b>\$248</b>	<b>19.6%</b>	<b>53.9%</b>	<b>25.1%</b>	<b>1.4%</b>	<b>8.1%</b>	<b>39.5%</b>

\* An asterisked line indicates that the information can not be released due to confidentiality laws.

**NEW RETURNS FILED IN 2002 FOR TAX YEAR 2001**

<b>Total</b>	<b>233,775</b>	<b>\$19,905</b>	<b>\$332</b>	<b>20.5%</b>	<b>57.1%</b>	<b>20.2%</b>	<b>2.2%</b>	<b>7.9%</b>	<b>34.3%</b>
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

**TABLE 2**  
**Urban Revenue Sharing Returned to Cities/Towns**  
**April 2003**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Scottsdale	\$1,797,135	202,705
Eagar	\$35,756	4,033	Surprise	273,491	30,848
Springerville	17,483	1,972	Tempe	1,406,332	158,625
St. Johns	28,982	3,269	Tolleson	44,098	4,974
<b><u>Cochise County</u></b>			Wickenburg	45,056	5,082
Benson	41,767	4,711	Youngtown	26,686	3,010
Bisbee	53,993	6,090	<b><u>Mohave County</u></b>		
Douglas	146,489	16,523	Bullhead City	299,388	33,769
Huachuca City	15,524	1,751	Colorado City	29,558	3,334
Sierra Vista	334,904	37,775	Kingman	177,927	20,069
Tombstone	13,334	1,504	Lake Havasu City	371,812	41,938
Willcox	33,096	3,733	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	43,593	4,917
Flagstaff	468,946	52,894	Pinetop-Lakeside	31,757	3,582
Fredonia	9,185	1,036	Show Low	68,222	7,695
Page	60,367	6,809	Snowflake	39,541	4,460
Williams	25,197	2,842	Taylor	28,158	3,176
<b><u>Gila County</u></b>			Winslow	84,402	9,520
Globe	66,369	7,486	<b><u>Pima County</u></b>		
Hayden	7,908	892	Marana	120,184	13,556
Miami	17,164	1,936	Oro Valley	263,313	29,700
Payson	120,752	13,620	Sahuarita	28,743	3,242
Winkelman	3,928	443	South Tucson	48,673	5,490
<b><u>Graham County</u></b>			Tucson	4,314,959	486,699
Pima	17,634	1,989	<b><u>Pinal County</u></b>		
Safford	81,849	9,232	Apache Junction	282,055	31,814
Thatcher	35,658	4,022	Casa Grande	223,630	25,224
<b><u>Greenlee County</u></b>			Coolidge	69,029	7,786
Clifton	23,016	2,596	Eloy	91,982	10,375
Duncan	7,199	812	Florence	128,252	14,446
<b><u>La Paz County</u></b>			Kearny	19,939	2,249
Parker	27,839	3,140	Mammoth	15,621	1,762
Quartzsite	29,736	3,354	Superior	28,849	3,254
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	318,130	35,883	Nogales	185,099	20,878
Buckeye	75,332	8,497	Patagonia	7,811	881
Carefree	25,950	2,927	<b><u>Yavapai County</u></b>		
Cave Creek	33,052	3,728	Camp Verde	83,790	9,451
Chandler	1,565,526	176,581	Chino Valley	69,463	7,835
El Mirage	67,460	7,609	Clarkdale	30,339	3,422
Fountain Hills	179,399	20,235	Cottonwood	81,379	9,179
Gila Bend	17,554	1,980	Jerome	2,917	329
Gilbert	972,548	109,697	Prescott	300,886	33,938
Glendale	1,939,936	218,812	Prescott Valley	208,656	23,535
Goodyear	167,660	18,911	Sedona	90,360	10,192
Guadalupe	46,350	5,228	<b><u>Yuma County</u></b>		
Litchfield Park	33,779	3,810	San Luis	135,841	15,322
Mesa	3,514,168	396,375	Somerton	64,419	7,266
Paradise Valley	121,142	13,664	Wellton	16,215	1,829
Peoria	960,730	108,364	Yuma	687,230	77,515
Phoenix	11,712,075	1,321,045			
Queen Creek	38,265	4,316	<b>TOTAL</b>	<b>\$35,879,921</b>	<b>4,047,019</b>

**TABLE 3**  
**Transaction Privilege and Severance Tax Returned to Cities/Towns**  
**April 2003**

City	Distribution	Population	City	Distribution	Population
<b><u>Apache County</u></b>			Scottsdale	\$1,412,989	202,705
Eagar	\$28,113	4,033	Surprise	215,031	30,848
Springerville	13,746	1,972	Tempe	1,105,722	158,625
St. Johns	24,732	3,548	Tolleson	34,672	4,974
<b><u>Cochise County</u></b>			Wickenburg	35,425	5,082
Benson	32,839	4,711	Youngtown	20,982	3,010
Bisbee	42,451	6,090	<b><u>Mohave County</u></b>		
Douglas	115,176	16,523	Bullhead City	235,392	33,769
Huachuca City	12,206	1,751	Colorado City	23,240	3,334
Sierra Vista	263,317	37,775	Kingman	139,894	20,069
Tombstone	10,484	1,504	Lake Havasu City	292,336	41,938
Willcox	26,021	3,733	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	34,275	4,917
Flagstaff	368,706	52,894	Pinetop/Lakeside	24,969	3,582
Fredonia	7,222	1,036	Show Low	53,639	7,695
Page	47,463	6,809	Snowflake	31,089	4,460
Williams	19,811	2,842	Taylor	22,139	3,176
<b><u>Gila County</u></b>			Winslow	66,361	9,520
Globe	52,182	7,486	<b><u>Pima County</u></b>		
Hayden	6,218	892	Marana	94,494	13,556
Miami	13,495	1,936	Oro Valley	207,029	29,700
Payson	94,940	13,620	Sahuarita	22,599	3,242
Winkelman	3,088	443	South Tucson	38,269	5,490
<b><u>Graham County</u></b>			Tucson	3,392,616	486,699
Pima	13,865	1,989	<b><u>Pinal County</u></b>		
Safford	64,353	9,232	Apache Junction	221,765	31,814
Thatcher	28,036	4,022	Casa Grande	175,828	25,224
<b><u>Greenlee County</u></b>			Coolidge	54,274	7,786
Clifton	18,096	2,596	Eloy	72,321	10,375
Duncan	5,660	812	Florence	100,838	14,446
<b><u>La Paz County</u></b>			Kearny	15,677	2,249
Parker	21,888	3,140	Mammoth	12,282	1,762
Quartzsite	23,380	3,354	Superior	22,683	3,254
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	250,128	35,883	Nogales	145,534	20,878
Buckeye	59,230	8,497	Patagonia	6,141	881
Carefree	20,403	2,927	<b><u>Yavapai County</u></b>		
Cave Creek	25,987	3,728	Camp Verde	65,880	9,451
Chandler	1,230,887	176,581	Chino Valley	54,615	7,835
El Mirage	53,040	7,609	Clarkdale	23,854	3,422
Fountain Hills	141,051	20,235	Cottonwood	63,984	9,179
Gila Bend	13,802	1,980	Jerome	2,293	329
Gilbert	764,661	109,697	Prescott	236,570	33,938
Glendale	1,525,265	218,812	Prescott Valley	164,055	23,535
Goodyear	131,822	18,911	Sedona	71,045	10,192
Guadalupe	36,443	5,228	<b><u>Yuma County</u></b>		
Litchfield Park	26,558	3,810	San Luis	106,805	15,322
Mesa	2,762,998	396,375	Somerton	50,649	7,266
Paradise Valley	95,247	13,664	Wellton	12,749	1,829
Peoria	755,369	108,364	Yuma	540,331	77,515
Phoenix	9,208,563	1,321,045	<b>TOTAL</b>	<b>\$28,212,361</b>	<b>4,047,298</b>
Queen Creek	30,085	4,316			

*The Office of Economic Research & Analysis  
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